



ALUMNI ASSOCIATION

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University of Iowa Alumni Association Opening Statement to the Oversight Committee

Introduction

Thank you for this opportunity to discuss aspects of our affinity credit card program with the Oversight Committee. As you know, we have provided, through the University, the affinity credit card information requested by the Board of Regents and it has been made available to members of this committee as well. As noted in our materials, as of July 31, the student portion of the credit card program at the University of Iowa includes 208 active accounts out of 37,709 total open accounts – with the vast majority of cardholders being alumni. The average balance for student accounts was \$1,028.

While all credit card companies can access student information, as permitted by law, we were able to limit on campus credit card solicitations to students by offering exclusive marketing rights to the UIAA affinity card product. This enabled the University to eliminate all other credit card solicitations on campus by other banks, which prior to the exclusivity arrangement occurred almost weekly.

In addition, we do believe that credit education for students is key, so we have provided \$140,000 in funds from our affinity credit card program for on-campus education and counseling over the past seven years.

Finally, I would like to clarify information included in a story and editorial in the Des Moines Register that implied there was a failure to respond to a Board of Regents request for our affinity card agreement with Bank of America. The Board of Regents did not request a copy of the agreement; therefore, we did not refuse to provide it. The agreement between the UIAA and the bank contains a confidentiality covenant that requires the bank's permission before any information contained in the agreement could be released. As soon as we understood that there was interest in the agreement, we contacted Bank of America and immediately began to work through the issues with them. With their support and cooperation, the agreement was released in its entirety to the Board of Regents, this committee, and the media.

We would be pleased to answer any questions from Committee members. Thank you.

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